

**DATES:** Written comments for inclusion in the official record must be postmarked no later than June 26, 1995.

**ADDRESSES:** Written comments should be mailed to: Mr. Ronald J. Schuster, Westwide Settlement Manager, Bureau of Reclamation, P.O. Box 25007 (Mail Code D-5010), Denver, Colorado 80225.

Access to the dedicated toll-free telephone number 1-800-861-5443, has been extended through June 26, 1995, for those wishing to make oral comments on the rules. Comments will be recorded on tape and transcribed by a court reporter, and will be part of the official record. Statements are limited to 10 minutes and must include the commentator's name in order to be included in the official record. Address and affiliation are optional.

**FOR FURTHER INFORMATION CONTACT:** Concerning part 426, contact Richard Rizzi, Bureau of Reclamation, P.O. Box 25007 (Mail Code D-5010), Denver, Colorado 80225, telephone (303) 236-1061 ext. 235; concerning part 427, contact Craig Phillips, Bureau of Reclamation, P.O. Box 25007 (Mail Code D-5300), Denver, Colorado 80225, telephone (303) 236-1061 ext. 265.

**SUPPLEMENTARY INFORMATION:** An identical notice is published in this **Federal Register** regarding extension of comment period on the environmental impacts of the proposed rules and regulations for implementing the Reclamation Reform Act of 1982.

Dated: May 31, 1995.

**Daniel P. Beard,**  
*Commissioner.*

[FR Doc. 95-13693 Filed 6-2-95; 8:45 am]

BILLING CODE 4310-94-P

## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 76

[CS Docket No. 95-61, FCC 95-186]

#### Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice of inquiry.

**SUMMARY:** The Commission is required to report annually to Congress on the status of competition in the market for the delivery of video programming pursuant to Section 628(g) of the Communications Act of 1934, as amended. On May 4, 1995, the Commission adopted a Notice of Inquiry to solicit information from the public for

use in preparation of the annual assessment of the status of competition in the market for the delivery of video programming that is to be submitted to Congress by November 15, 1995. The Notice of Inquiry will provide parties with an opportunity to submit comments and information to be used in conjunction with publicly available information and filings submitted in relevant Commission proceedings to assess the extent of competition in the market for the delivery of video programming.

**DATES:** Comments are due by June 30, 1995, and reply comments are due by July 28, 1995.

**ADDRESSES:** Federal Communications Commission, Washington, DC 20554.

**FOR FURTHER INFORMATION CONTACT:** Marcia Glauberman, Cable Services Bureau (202) 416-1184 or Martin L. Stern, Office of the General Counsel (202) 416-0865.

**SUPPLEMENTARY INFORMATION:** This is a synopsis of the Commission's Notice of Inquiry in CS Docket No. 95-61, FCC 95-186, adopted May 4, 1995, and released May 24, 1995. The complete text of this Notice of Inquiry is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239), 1919 M Street NW., Washington, DC 20554, and may also be purchased from the Commission's copy contractor, International Transcription Service ("ITS, Inc."), (202) 857-3800, 2100 M Street NW., Suite 140, Washington, DC 20037.

#### Synopsis of the Notice of Inquiry

1. Section 628(g) of the Communications Act of 1934, as amended ("Communications Act"), 47 U.S.C. § 548(g), requires the Commission to deliver an annual report to Congress concerning the status of competition in the market for the delivery of video programming. The Commission submitted its first to Congress in September 1994. First Report, CS Docket No. 94-48, summarized in FR 64657 (December 15, 1994). The Commission expects to submit the 1995 Competition Report to Congress by November 15, 1995.

2. When Congress adopted the Cable Television Consumer Protection and Competition Act of 1992 ("1992 Cable Act") and added Section 628(g) to the Communications Act, it indicated a preference for competition over regulation of cable television systems. Congress found, however, that sufficient competition to local cable television systems did not exist and, as a result, cable operators had undue market

power compared to that of consumers and video programmers. Accordingly, Congress enacted the 1992 Cable Act to promote competition and to ensure that consumer interests are protected in the absence of effective competition to cable television. A critical element of this regulatory framework is to promote the emergence of competition over time by fostering the entry of alternative multichannel video programming distributors ("MVPDs"). The annual competition report to Congress provides an opportunity for the Commission to summarize the status of cable television and other video distributors, monitor changes in the competitive environment and evaluate the progress that is being made in promoting and developing a competitive marketplace for the delivery of video programming services.

3. The Notice of Inquiry ("Notice") is designed to solicit comments and information that the Commission can use to prepare its 1995 Competition Report. Specifically, the Notice requests information concerning the cable industry, existing and potential competitors to cable systems, barriers to entry by new competitors, technological advances and the prospects for increased competition in the market for the delivery of video programming. The Commission expects to use the information that is submitted by commenters to supplement publicly available information and relevant comments that have been filed in other Commission proceedings. The Notice highlights a wide range of competitive issues, and offers parties an opportunity to submit information on these issues, as well as any other information they believe is relevant to an evaluation of competition in market for the delivery of video programming.

4. The Notice begins with an overview of the 1994 Competition Report, including a summary of the framework for analyzing competition in the market for delivered video programming and the findings regarding the status of competition as of September 1994. The 1994 Competition Report's analytical framework can be summarized as follows: (1) Definition of the market; (2) analysis of the status of current and potential future participants in the market; (3) examination of the conduct of the firms in the market; (4) analysis of market structure conditions that may affect competition, with particular emphasis on impediments to competition and regulatory efforts to promote competition; and (5) evaluation of the overall economic performance of the market. In addition, on the basis of its analysis of the status of existing and potential competitors to local cable

systems, the Commission stated that while competitors were emerging, alternative video programming distributors were not available to a sufficient number of subscribers to create a competitive environment in most markets.

5. The Notice then seeks information and comment on specific issues in preparation for the 1995 Competition Report. The Commission first addresses the relevant product and geographic markets for delivered video programming. In the 1994 Competition Report, the Commission used the 1992 Cable Act's definition of "multichannel video programming service" as a starting point for the relevant product. This definition includes cable television, multipoint multichannel distribution service ("MMDS" or "wireless cable"), direct broadcast satellites ("DBS") and receive-only satellite dishes. The Commission also analyzed the status of other MVPDs that were not included in the statutory definition, such as satellite master antenna television ("SMATV") systems and video dialtone ("VDT") service, and other video programming distribution media as potential substitutes for cable services. With respect to the geographic market, the Commission determined that it seemed reasonable to define it, at least tentatively, as the local franchising area, although over time this definition may be broadened. The Commission seeks comment on whether these definitions remain relevant or whether a reassessment of the appropriate definitions of product and geographic markets is required.

6. The Notice then requests data and information about the cable television industry, entities using other distribution technologies that are already in the market, entities that are potential entrants in this market and other technologies that might impact the nature of competition in the market for delivery of video programming services. Commenters are invited to provide information regarding the cable industry, including cable overbuilds, wireless cable systems, SMATV systems, direct-to-home satellite services, such as DBS and home satellite dishes ("HSDs"), and VDT services. The Notice asks a variety of questions concerning each of these video service providers and solicits information regarding barriers to entry and the nature of the services they provide. The Notice also indicates that the Commission intends to examine the effects on competition of broadcast television service, video cassette recorders ("VCRs") and interactive video and data services ("IVDS"). In the

Notice, the Commission states that it expects to explore possible entry of other types of firms into the market for the delivery of video programming, such as electric utilities, and requests comment on the likelihood of such entry and its effect on competition.

7. The Commission observes that there are technological changes and developments that may also affect the structure of the market for the delivery of video programming. In this regard, the Notice solicits information on digital compression, the hybridization of different transmission media used for the distribution of multichannel video programming and technologies that will facilitate consumer access to various distribution media and services.

8. In the Notice, the Commission requests comment on the structure of the market for the delivery of video programming and the effect of this structure on competition. The Commission expects to explore the status of horizontal concentration and vertical integration in the cable television industry and analyze the market structure conditions that may affect competition in markets for the delivery of video programming. Information is requested to help the Commission identify local markets where cable operators, currently, or may in the near future, face competition from other MVPDs. At the national level, the 1994 Competition Report provided an analysis of multiple system operator, or MSO, ownership of cable systems. The Notice seeks data regarding the number of subscribers served by individual MSOs, which will allow the Commission to continue to monitor industry concentration and to assess its effects on the video marketplace. The Commission also notes that there has been a trend towards "clustering," or regional concentration, of cable system ownership. The Notice invites comment on the competitive effects of clustering.

9. Several provisions of the 1992 Cable Act were intended to ensure that vertically integrated cable companies do not impede competition. In the Notice, the Commission solicits data to update the information presented in the 1994 Competition Report relating to vertically integrated and unaffiliated programming services. Thus, the Commission seeks information that will allow it to examine affiliation between national programming services and cable operators, determine whether alternative providers are able to acquire programming services on nondiscriminatory terms and assess the degree to which unaffiliated programmer are gaining access to cable systems. In particular, the Commission

"request[s] comment on whether the program access rules and our decisions in response to program access complaints have served their intended purpose alleviate [the] problem [that non-cable MVPDs faced in acquiring programming services on nondiscriminatory terms]."

10. The Notice further requests that commenters consider several economic market performance indicators that were used in the 1994 Competition Report to assess the current level of competition. Parties are asked to provide appropriate updates with respect to these indicators and to comment on the conclusion drawn in the 1994 Competition Report regarding these indicators and the appropriate methods for assessing market performance. The Commission also seeks comment on market structure characteristics that may increase competition or pose impediments to competition. Furthermore, comment is requested concerning economies of scale and scope in the cable industry, regulatory or technological barriers to entry into the market for the delivery of video programming and the implications of sunk cost investments for competitive entry.

11. Finally, the Notice seeks recommendations Commission actions, if any, to promote further competition in the market for delivered video programming. In this regard, parties are asked to explain how their proposals would increase competition in the delivery of video programming to consumers or enhance the programming distribution market.

## Administrative Matters

### *Ex Parte*

12. There are no ex parte or disclosure requirements applicable to this proceeding pursuant to 47 CFR 1.1204(a)(4).

### *Comment Dates*

13. Pursuant to applicable procedures set forth in Sections 1.415 and 1.419 of the Commission's Rules, 47 CFR 1.415 and 1.419, interested parties may file comments on or before June 30, 1995, and reply comments on or before July 28, 1995. To file formally in this proceeding, participants must file an original and four copies of all comments, reply comments and supporting comments. If participants want each Commissioner to receive a personal copy of their comments, an original plus ten copies must be filed. Comments and reply comments should be sent to the Office of the Secretary, Federal Communications Commission, Washington, DC 20554. Comments and

reply comments will be available for public inspection during regular business hours in the FCC Reference Center (Room 239) of the Federal Communications Commission, 1919 M Street, NW., Washington, DC 20554.

#### Ordering Clauses

14. This Notice of Inquiry is issued pursuant to authority contained in Sections 4(i), 4(j) 403 and 628(g) of the Communications Act of 1934, as amended.

#### List of Subjects in 47 CFR Part 76

Cable television.

Federal Communications Commission.

**LaVera F. Marshall,**

*Acting Secretary.*

[FR Doc. 95-13643 Filed 6-2-95; 8:45 am]

BILLING CODE 6712-01-M

#### 47 CFR Parts 0 and 80

[CI Docket No. 95-54, FCC 95-170]

#### Inspection of Great Lakes Agreement Ships

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule.

**SUMMARY:** The Commission has adopted a *Notice of Proposed Rule Making* which proposes rules to allow vessel operators on the Great Lakes subject to the annual inspection requirements of the Agreement between the United States and Canada for the Promotion of Safety on the Great Lakes by Means of Radio (Great Lakes Agreement) to have the inspection performed by a classification society instead of by Commission staff.

**DATES:** Comments must be filed on or before July 18, 1995, and reply comments must be filed on or before August 17, 1995.

**ADDRESSES:** Federal Communications Commission, 1919 M Street, N.W., Washington, DC 20554.

**FOR FURTHER INFORMATION CONTACT:** George R. Dillon of the Compliance and Information Bureau at (202) 418-1100.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's *Notice of Proposed Rule Making*, CI Docket No. 95-54, FCC 95-170, adopted April 24, 1995, and released, May 16, 1995. The full text of this *Notice of Proposed Rule Making* is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239) 1919 M Street, NW, Washington, DC. The complete text may be purchased from the Commission's copy contractor, International Transcription Services,

2100 M Street NW, Washington, DC 20037, telephone (202) 857-3800.

#### Summary of Notice of Proposed Rule Making

1. In this Notice of Proposed Rule Making (Notice), we propose to allow owners and operators of ships subject to the annual inspection requirements of the Agreement between the United States and Canada for the Promotion of Safety on the Great Lakes by Means of Radio (Great Lakes Agreement) to have the inspection performed by a private sector classification society instead of by Commission staff. The proposed changes would reduce economic burdens on the public and the Commission by allowing mariners to arrange for an inspection at their convenience. Because of our concern that maritime safety on the Great Lakes not be compromised by this action, we are also proposing a joint study to be conducted with the United States Coast Guard and the Canadian Coast Guard on the effect of this proposal. Further, we are requesting specific comment on whether we should permit other designated private sector entities or persons to perform such inspections.

2. The Great Lakes Agreement is intended to promote safety of life and property on the Great Lakes by means of radio. It dates back to 1952 and requires, among other things, that all vessels over 20 meters (65 feet), most towing vessels, and vessels carrying more than six passengers for hire be equipped with a marine VHF radiotelephone installation. The Great Lakes Agreement requires that these installations be inspected at least once each year. The Great Lakes Agreement requires that the inspections be carried out by officers of the Contracting Governments or by either persons nominated for that purpose or organizations recognized by the Contracting Government. In other words, the Great Lakes Agreement provides specific authority allowing the United States to entrust the annual inspection to either persons or organizations other than the Commission. Presently, however, the Commission's Rules do not permit a Great Lakes Agreement inspection to be conducted by anyone other than Commission staff.

3. Additionally, the Great Lakes Agreement requires that these vessels be inspected while the vessel is in active service or within one month before the date the vessel is placed in service. Because almost all vessels on the Great Lakes must be taken out of service over the winter and operators do not wish to interrupt shipping schedules after the shipping season begins, there is a very

busy period in the spring when these vessels are being put back in service.

4. The Commission inspects approximately 490 vessels subject to the Great Lakes Agreement each year. Commission inspectors test the outpower, frequency tolerance and availability of reserve power, and conduct an operational radio check of the radiotelephone installation during the inspection. Any failure of these critical items results in the vessel failing the annual inspection and not receiving a safety certificate until the failure is corrected. An integral part of the annual inspection is to examine the connecting transmission lines, electrical cabling and control circuitry that makeup the entire radiotelephone installation to ensure that the individual components operate satisfactorily when connected together.

5. Although the inspections are relatively simple and generally take no more than an hour to complete, they are conducted to ensure that Great Lakes Agreement ships have a reliable means of distress communications in an emergency. We note, however, that improvements in the reliability of radiotelephone equipment and the industry practice of preinspection examinations have resulted in an inspection failure rate for Great Lakes Agreement vessels of only one per cent.

6. The International Maritime Organization (IMO) has adopted a resolution setting forth the minimum standards for nongovernment organizations that conduct inspections on behalf of an administration, *IMO Assembly Resolution A.739(18), Appendix 1*, "Minimum Standards for Recognized Organizations Acting on Behalf of the Administration." There are more than 40 Classification societies worldwide that inspect passenger and cargo vessels for compliance with the myriad of domestic and international regulations that vessels must comply with before leaving port. Additionally, 11 classification societies are members of the International Association of Classification Societies (IACS). The IACS grants membership status to classification societies that meet the IACS's Quality System Certification Scheme. The use of classification societies to conduct inspections on behalf of an administration is widespread. The United States, for example, is statutorily required to use the American Bureau of Shipping, or a similar United States classification society, to class vessels owned by the Federal Government. Additionally, some of IACS' members operate in the United States.